

FAQ's - Code of Advertisement for Investment Advisers

1. What is an Advertisement?

As per BSE Administration and Supervision Limited (BASL) 'Code of Advertisement', Advertisement is defined as below :

All forms of communication issued by or on behalf of or in relation to Investment Advisers (IA) that may influence investment decisions of any investor/prospective investors. It also includes internal communication to registered clients that may influence investment decisions.

Forms of communications shall include form of document, pamphlets, circulars, brochures, notice or any research reports or any other literature or information, material published, or designed for use in a newspaper, magazine, SMS or other periodical, radio, television, telephone or tape recording, video tape display, signs or bill boards, motion pictures, telephone directories (other than routine listings) or other public media including any generally accessible websites or emails, whether in print or audio visual form or used in workshop/seminar or public speaking or in any other manner.' As social media is another preferred form of publishing the advertisements, "other manner" as given in the above para, shall include social media platforms including but not limited to Facebook, Twitter, Instagram, YouTube, WhatsApp, etc. For more clarity, certain scenarios have been discussed in this FAQ. Members are advised to follow 'Code of Advertisement' as specified by SEBI / BASL from time to time.

2. How to apply for prior approval of Advertisement?

BASL enrolled Investment Advisers (herein referred as Members) need to apply for Advertisement approval through 'BASL Membership Portal – Application for Advertisement section' by using their login credentials.

3. What types of Advertisements/Publications/communications will necessitate prior Approval from BASL?

Any form of Advertisements/Publications as given below, will require BASL Prior approval:

- a. Any content on Member's website/Member's own social media platform, including but not limited to Facebook page/Instagram/Twitter Accounts, etc. that promotes new products/services/subscription plans, etc. or amounts to solicitation for account opening this includes Brand Promotion.
- b. Any content of social media including Facebook, WhatsApp, Instagram, Twitter, YouTube, etc. which is other than Member's own website/Facebook page, etc. that promotes new products/services/subscription plans, etc. or amounts to solicitation for account opening. The above includes Brand Promotion. (Necessary disclaimer and T&C applicable to advertisement should be mentioned specifically with creative or followed by creative). An active link on the first page, for such disclaimer is sufficient. It should be ensured that such link is active and takes the viewer to the documents containing the disclaimer and T&C. It may be noted that the content of all

information/T&C/disclaimer, etc. which are accessible through the active link are also subject to BASL approval.

- c. In case employees of an entity are posting content/organising competition/contests online/social media, which promotes the products/brand/services or can influence the investment decisions of any investors, for such content the prior approval is needed, though it is not directly done by the member. In order to have control over such material, Member should ensure –
 - I. To have an internal policy for employees/associates/ channel partners etc. indicating repercussions for violations, which lays down framework for such behaviour.
 - II. To take appropriate actions for all such violations.
- d. Any display of Member's awards received from third party, Member's APP promotion (with or without account opening or products/services info).
- e. Any content in the form of advertisement on any mode of advertisement by Associated Person/ /Business partner/Channel partner of member.
- f. Video content or any other content/information on investment advise made or distributed by any third person/entity (blogger/ person whether having his/her own channel or not) which is directing to information or promoting any Member's name or has the effect of influencing the investment decisions of any investors (influencers, etc.). It is to be noted that there are arrangements where Members may enter an arrangement with individuals who upload videos and attach links which take them to the websites of Members for opening accounts thus influencing the investment decisions of investors. In such audio-visual media-based advertisements, standard warning both the visual and the voiceover reiteration containing 20 words should be running for at least 10 seconds. Members should take appropriate actions in case above promotion is carried out without its knowledge or approval.
- g. Any event/programme sponsored by the Member wherein their products/services/ subscription plans, etc. are displayed
- h. Any advertisement jointly with a third party or Member's associate entity or group entity which includes Brand Promotion
- i. Any third-party advertisement containing name/logo/products/services offered by Members should take appropriate actions in case the above promotion is carried out without its knowledge or approval.

4. What types of advertisements/publications do not require BASL approval?

Advertisements/publications as given below, do not require BASL approval:

- a) Wishes /greetings on events/festivals by Member's wherein there is no mention of Member's products/services/Subscription plans, or no mention of any information that can influence the investment decisions of any investors.
- b) Content which are exclusively for educational information/knowledge sharing on capital market concepts by Member's and has no influence on the investment decisions of investors.

- c) Advertisements that have been approved previously and that are to be used without any change or with limited changes e.g., limited to updates of more recent statistical information issued by third parties, whether it is issued by Member, Channel Partner, or Employee. However, such advertisements should be issued within one year from the date of approval by the BASL.
- d) Third party advertisement: In case of advertisement already approved by BASL which contains any third-party products/services, approval will not be required if the said third party publishes any advertisement containing such products/services and Member's name/logo which was the content of previous BASL approved advertisements with the approval of the Member has taken prior approval of the BASL. However, such advertisements should be issued within one year from the date of approval by the BASL.
- e) If an advertisement is approved by BASL for a specific medium (say print media) and the same advertisement without any change in the content is redesigned for a different medium (say social media, etc) then no approval would be required. However, such advertisements should be issued within one year from the date of approval by the BASL.
- f) A retail communication that is limited to market commentary concerning overall changes in the market on a particular day, or a discussion of economic news wherein there is no mention of Member's products/services/subscription Plans, or any information that can influence the investment decisions of any investors.
- g) Press release by Member wherein there is no mention of Member's products/services/Subscription plans, or any information that can influence the investment decisions of investors.

All advertisements/communications from the Member to its client which are included in the above list which does not require prior approval, in whichever form shall not violate the guidelines suggested by SEBI and BASL through and in spirit of the Regulations /circulars/notices of SEBI/BASL and in case, any information in such advertisements/communications is found to be misleading/incorrect/superficial, the sole responsibility will be of the concerned Member and Member shall be liable to suitable action(s) such as imposition of penalty from time to time.

5. What is the disciplinary action for not obtaining BASL prior approval?

Members not complying with the Code for Advertisement may be subject to suitable action(s) such as imposition of penalty from time to time.